

Request For Quotation

**Health Impact Assessment**

**Cherwell Local Plan Review**

Project Number I-1524

Closing date for return of RFQ

12 Noon 25th October 2021

**CONTENTS**

PART A – GENERAL INFORMATION

1. Definition of Terms
2. Background to the Procurement
3. Instructions for completion and return of RFQ
4. Award Criteria
5. Additional Information
6. Indicative RFQ Timetable

Appendix 1 Specification

Appendix 2 Contract Conditions

Appendix 3 Response Pack

PART B – REQUEST FOR QUOTATION

Section A

Mandatory Criteria

Section B

Service Questions

Section C

Pricing Schedule

Section D

Economic & Financial Standing

Section E

Form of Quotation

Section F

Bidder Checklist & Precontract Checklist

**PART A - GENERAL INFORMATION**

#### 1. DEFINITION OF TERMS

|  |  |  |
| --- | --- | --- |
|  | Bid | means a Bidder’s response to this RFQ |
|  | Bidder | means the entity responding to this Request for Quotation. |
|  | Bidder’s Representative | means the Bidder’s representative who will coordinate all communications with the Council’s Representative in relation to this Request for Quotation. |
|  | Council | Means Cherwell District Council |
|  | Council’s Representative | means Stephen King the Council’s representative who will coordinate all communications with the Bidder in relation to this Request for Quotation. |
|  | Portal | means the e-tendering system accessed via the South East Business Portal. |
|  | Request for Quotation  (RFQ) | means this document and all its appendices which have been sent to all Bidders. |
|  | Services | means the goods, works and/or services sought by the Council in accordance with the provisions of this Request for Quotation. |
|  | Specification | means the description of the Services contained in Appendix 1 to this Request for Quotation. |

2. BACKGROUND TO THE PROCUREMENT

2.1 Cherwell District Council is commissioning consultants to undertake a Health Impact Assessment (HIA) report to accompany the Cherwell Local Plan Review 2040.

The Cherwell Local Plan 2011-2031 was adopted by the Council on 20 July 2015. The Plan provides the strategic planning policy framework for the District to 2031.

The Oxfordshire Plan will provide the strategic planning framework and evidence base to support sustainable growth across the County to 2050. It will set out the overall development requirement and identify broad areas for growth across the County. The district-wide Cherwell Local Plan Review will then establish detailed planning policies and site allocations. As work progresses on the strategic and local plans the scope of the Oxfordshire Plan may be refined.

2.2 Bidders are invited to quote for the provision of the Services described at Appendix 1 Specification for a term of 18 months with an option for the Council to extend for up to 6 months, anticipated to commence on 15th November 2021.

**3. INSTRUCTONS FOR COMPLETION AND RETURN OF RFQ**

1. Please use the question and answer section of the Portal from where you downloaded this document to ask any question(s) regarding this document and/or the RFQ process.
2. The documentation to be returned to the Council is listed as Sections A, B, C, D and E of this RFQ. Failure to submit all documentation may result in your Bid being discounted.
3. Additional attachments should be clearly labelled in relation to the Section and question. In addition, please indicate under the relevant question that this has been done.
4. Bids must be in English.
5. If you reproduce the RFQ, the paragraph numbering, content or wording of the questions must not be changed in any way.
6. Where a question is not relevant to your organisation, you should respond “Not Applicable”.
7. Please do not supply general marketing, promotional or similar material in response to a question, unless such material is specifically requested, or the material supplied is particularly relevant to the question. In either event, the material should be marked clearly to show your name, the number of the question to which it relates and, if appropriate, the page number or the section of the material which is relevant.
8. The Council may require you to clarify any part of your Bid or to supply additional information if it considers this appropriate.
9. Where this RFQ refers to UK legislation, qualifications, codes or similar matters you should, if you are established outside the UK, base your response on the equivalent legislation, qualifications or codes that apply in the relevant domestic jurisdiction.
10. If you are a member of a group of companies (e.g. sister organisation, subsidiary etc.), the Bid should be completed on behalf of your organisation only and not on behalf of the group as a whole (except where group information is specifically requested).
11. The Council will not accept a Bidder’s terms of business in lieu of or in addition to the conditions included at Appendix 2. By submitting a Bid, Bidders are agreeing to be bound by the conditions at Appendix 2 without further negotiation or amendment should their Bid be accepted, unless changes are agreed by the Council and such changes notified to all Bidders prior to Bid submission.
12. Please return an electronic copy of your Bid including any supporting material via the Portal from where you downloaded this RFQ. Please allow sufficient time to upload all documents to the Portal before the deadline.
13. Failure to submit your Bid by the closing time and date may result in your Bid not being evaluated.
14. Bids must remain valid and open for acceptance for three months from the closing date for return of the RFQ.

###### 4. AWARD CRITERIA

4.1 Each Bid received will be evaluated against a range of scored and mandatory

criteria.

4.2 Phase 1

Each Bid will be evaluated against a range of mandatory criteria as set out in Table 1:

Table 1 Scored criteria for this RFQ and respective weightings:

|  |  |  |
| --- | --- | --- |
| Question ID | Question | Weighting % |
| A1 | Bidder Information | Information Only |
| A2 | Mandatory Rejection Criteria | Pass/Fail |
| A3 | Discretionary Rejection Criteria | Pass/Fail |
| A4.1 | Insurance | Pass/Fail |
| A4.2 | Equality & Diversity | Pass/Fail |
| A4.3 | Safeguarding | N/A |
| A4.4 | Health & Safety | N/A |
| A4.5 | Data Protection/GDPR | Pass/Fail |
| A4.6 | Environmental Management | Pass/Fail |
| A5 | Technical Ability | Information only |
|  |  |  |

Where a Bidder answers Yes to questions 4.2.2, 4.3.2, 4.4.4, 4.5.3 and 4.6.1, a Pass will be subject to evidence of investigation and/or corrective action implemented to satisfaction of the Council officers.

4.3 Phase 2

Bidders must pass Phase 1 for their Bid to be evaluated at Phase 2.

The scored criteria using the mechanism for scoring set out in Tables 2 and 3

Respectively and the mechanism for scoring Price set out in Table 4.

**Table 2 Scored criteria for this RFQ and respective weightings:**

|  |  |  |  |
| --- | --- | --- | --- |
| **Criteria** | **Weighting (%)** | **Sub-Criteria** | **Weighting (%)** |
| Quality | 60% | MS1: Method Statement | 40% |
| MS2: Operational Delivery | 20% |
| Price | 40% | Price Breakdown | 40% |

**Table 2a Quality Sub-Criteria**

|  |  |  |
| --- | --- | --- |
| **Quality Sub-****Criteria** | | **Weighting**  **60%** |
| MS 1 | Local planning context relevant to Cherwell | 10% |
|  | Methodology, deliverables and timescales | 25% |
|  | Programme & Project Management | 5% |
|  | **Operational Delivery** |  |
| MS2 | Staff resources and technical skills | 10% |
|  | * Experience of similar work * Conflict of interest. | 10% |

**Please note that if there are any mandatory requirements in the Specification which are not met, the Council will treat your Bid as non-compliant.**

Table 3 Scoring mechanism for the scored criteria of this RFQ:

|  |  |  |
| --- | --- | --- |
| **Comment** | **Judgement** | **Marks available** |
| Clear, relevant and well detailed response that addresses all the requirements and provides the evaluator with confidence that the service will be provided to an excellent standard. Demonstrates in detail how all the relevant requirements of the specification will be met. | Excellent | 5 |
| Clear and relevant response that addresses all the requirements and provides the evaluator with confidence that the service will be provided to a good standard. Demonstrates how all or most of the relevant requirements of the specification will be met. The information may lack relevant detail in areas, but this does not cause the evaluator concern over the future delivery of services. | Good | 4 |
| Response addresses all or most of the requirements and provides the evaluator with confidence that the service will be provided to an acceptable standard. Demonstrates how all or most of the relevant requirements of the specification will be met. However, the information lacks some relevant detail and/or raises issues which causes the evaluator minor concern over the future delivery of services. | Satisfactory | 3 |
| Response addresses all or some of the requirements but does not provide the evaluator with confidence that the service will be provided to an acceptable standard. Demonstrates how all or most of the relevant requirements of the specification will be met. However, the information is lacking relevant detail and/ or raises issues which gives the evaluator more than minor concern over the future delivery of the services. | Unsatisfactory | 2 |
| Response addresses all or some of the requirements but does not provide the evaluator with confidence that the service will be provided to an acceptable standard. Fails to demonstrate how most of the relevant requirements of the specification will be met. | Poor | 1 |
| Response does not address any of the requirements. Response fails to provide the evaluator with confidence that the service will be provided to an acceptable standard. Does not demonstrate how any of the relevant requirements of the specification will be met. | Failed | 0 |

## Each Bid will be scored using the scoring matrix set out in Table [3]. The evaluation team will agree a consensus position on the scoring for each question/method statement. A moderator will record the evaluation scores and the rationale for the score.

Table 4 Scoring mechanism for Price

Bidders’ price scores will be calculated based upon the lowest price submitted by Bidders.

The Bidder with the lowest price will be awarded the full score of 40%, with the remaining Bidders gaining a pro-rated score in relation to how much higher their prices are when compared to the lowest price.

In the example below price is weighted as 60%:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Bidder | Price | (price - lowest price) / lowest price = % above lowest price | 100% - % above lowest price | Score  Maximum points x (100% - % above lowest price) |
| 1 | £100 | (£100 - £100) / £100 = 0.00% | 100% - 0.00% = 100.00% | 60 x 100% = 60.00 |
| 2 | £125 | (£125 - £100) / £100 = 25.00% | 100% - 25.00% = 75.00% | 60 x 75% = 45.00 |
| 3 | £150 | (£150 - £100) / £100 = 50.00% | 100% - 50.00% = 50.00% | 60 x 50% = 30.00 |
| 4 | £175 | (£175 - £100) / £100 = 75.00% | 100% - 75.00% = 25.00% | 60 x 25% = 15.00 |
| 5 | £200 | (£200 - £100) / £100 = 100.00% | 100% - 100.00% = 0.00% | 60 x 0% = 0.00 |

Please note that no bidder will receive a minus score, so if the calculation does result in a minus score for price, a 0 will automatically be awarded.

4.4 **Phase 3**

The Bidder identified as the Most Economically Advantageous Bid will be evaluated at Phase 3.

The Council will carry out assessment using three ratings models available via Procurement Catalyst. The potential service provider will be classified as financially stable if a pass rating is achieved on two or more of the models. The minimum pass ratings for each model is outlined in Table 5:

Table 5 Scoring mechanism for Financial Standing

|  |  |
| --- | --- |
| **Assessment** | **Minimum Pass Threshold** |
| ModeFinance – MORE Credit Risk | B |
| Zanders – FALCON Global Credit Risk | 4 |
| VADIS – VadRisk | 6 |

Minimum Turnover

4.4 The Council reserves the right to:

4.4.1 waive or change the requirements of this RFQ from time to time without prior (or any) notice;

4.4.2 withdraw this RFQ at any time, or to re-invite Bids on the same or any alternative basis;

4.4.3 choose not to award any contract as a result of the current procurement process, or to award the contract in part.

4.5 The Council will not be liable for any bid costs, expenditure, work or effort incurred by a Bidder in proceeding with or participating in this RFQ process including if the process is terminated or amended by the Council.

**5. ADDITIONAL INFORMATION**

5.1 Freedom of Information

5.1.1 All information provided by you in your response to this RFQ will remain confidential and will not be disclosed to any other party except where required for official audit purposes or to the extent that the Council considers that disclosure is required pursuant to the Freedom of Information Act 2000 or any other applicable legislation, legal requirement or code of practice.

5.2 Confidentiality

5.2.1 By receiving this RFQ you agree to keep confidential the information contained in the RFQ or made available in connection with further enquiries and questions. Such information may be made available to your employees and professional advisers for the purpose only of responding to this RFQ.

5.3 Material Changes

5.3.1 At any time before the award of the contract, the Council reserves the right to disqualify any organisation whose circumstances change to the extent that it ceases to meet the selection criteria or makes a material change in respect of its Bid unless substantial justification can be provided to the satisfaction of the Council. Where a Bidder becomes aware after having submitted a Bid of a change in circumstances or information supplied, it should notify the Council of this as soon as possible.

* 1. Armed Forces Covenant

5.4.1 The council is committed to the Armed Forces Covenant and encourages its Providers and Contractors to also add their support. Sign up is not mandatory and does not form part of evaluation. Information can be accessed via:

<https://www.gov.uk/government/collections/armed-forces-covenant-supporting-information>

**6. INDICATIVE RFQ TIMETABLE**

The deadline for the return of the RFQ is as set out here unless otherwise notified by the Council. All other dates are indicative only and subject to change.

|  |  |
| --- | --- |
| **Activity** | **Date** |
| Advert placed on e-tendering Portal | 12th October 2021 |
| Final date for submission of RFQ questions | 18th October 2021 |
| Time period in which questions will be answered | 24 hours |
| RFQ closing time and date | 12 noon 25th October 2021 |
| Clarification Interview (if required) | W/B 1st November 2021 |
| Notification of award outcome to Bidders | 5th November 2021 |
| Contract start date | 15 November 2021 |

**Appendix 1 - Specification**

**INTRODUCTION**

Cherwell District Council is commissioning consultants to undertake a Health Impact Assessment (HIA) report to accompany the Cherwell Local Plan Review 2040.

The Council is inviting quotations for undertaking this work. This brief provides the Council’s statement of requirements and indicative timetable for the preparation of the Cherwell Local Plan Review.

**BACKGROUND**

The Cherwell Local Plan 2011-2031 was adopted by the Council on 20 July 2015. The Plan provides the strategic planning policy framework for the District to 2031. The Plan’s commitment in paragraph B.95 to address Cherwell’s apportionment of Oxford’s unmet housing needs has been fulfilled with the adoption of the Cherwell Local Plan Partial Review on 7 September 2020.

In its September 2021 Local Development Scheme (LDS) the Council set out a timetable for reviewing the Local Plan through the preparation of the Cherwell Local Plan Review and the preparation of a joint spatial plan with the Oxfordshire authorities - the Oxfordshire Plan 2050. The LDS can be viewed at <https://www.cherwell.gov.uk/info/33/planning-policy/382/local-development-scheme>.

The Oxfordshire Plan will provide the strategic planning framework and evidence base to support sustainable growth across the County to 2050. It will set out the overall development requirement and identify broad areas for growth across the County. The district-wide Cherwell Local Plan Review 2040 will then establish detailed planning policies and site allocations. As work progresses on the strategic and local plans the scope of the Oxfordshire Plan may be refined.

In preparing the Local Plan Review we will need to respond to the Oxfordshire Plan’s evidence and policies as they emerge and gather information and evidence to inform local policies on matters including climate change, green infrastructure, transport, housing, health and well-being challenges, town centres and retail and economic development. It will include identification and delivery of strategic and non-strategic development sites for housing, employment, open space and recreation, travelling communities and other land uses. It will also replace the remaining saved policies of the 1996 Cherwell Local Plan.

The first stage in the preparation of the Cherwell Local Plan Review was the publication, for public consultation, of a Community Involvement Paper in July 2020. This was accompanied by a ‘Call for Sites’ and a Sustainability Appraisal Scoping Report prepared by the Council’s Planning Policy Team. These documents can be viewed at <https://www.cherwell.gov.uk/info/83/local-plans/729/local-plan-review-2040---planning-for-cherwell-to-2040> .

The second stage is the publication, for public consultation, of an Options Paper in September 2021. This was accompanied by an HIA Scoping Report, prepared by the Council’s Planning Policy Team, in collaboration with Oxfordshire County Council’s Public Health Team.

**PROJECT BRIEF/SCOPE**

**Purpose**

As part of the development of the Plan, Cherwell District Council has proposed that healthy place shaping principles should be embedded within it. To support this objective, it has been agreed to complete a Health Impact Assessment of the Plan. This reflects the strong and growing evidence base that suggests that the built environment, transport and housing have a profound impact on health.

The main aims of carrying out an HIA on the Local Plan are:

* to ensure that health and wellbeing impacts are considered in all aspects of the Plan. Impacts should include social, economic and environmental determinants of health.
* to clarify which determinants of health and wellbeing should be focused upon to help shape healthy communities in Cherwell and what indicators should be reported on by whom and when.
* to make specific recommendations to ensure that the Plan consistently seeks to maximise health and wellbeing benefits and minimise any harms. This should include identifying barriers to accessing facilities and services (e.g. public transport) and recommending mitigating action. The recommendations should be prioritised and recognise the importance of addressing health inequalities.
* to develop local understanding of the HIA process and building knowledge capacity through engagement of relevant stakeholders. This is in line with Elliott et al’s definition of Health Impact Assessments (2010) which emphasise the need for engagement with stakeholders.[[1]](#footnote-1)

**Objectives**

The Health Impact Assessment is required to achieve the following objectives:

***Stage 1: Setting the context and objectives, establishing the baseline and deciding on the scope***

This stage has been prepared by the Council’s Planning Policy Team and is available to view <https://www.cherwell.gov.uk/info/83/local-plans/729/local-plan-review-2040---planning-for-cherwell-to-2040>

***Stage 2: Prepare the final report of the Comprehensive HIA***

This should include

* A review of emerging options, including reasonable alternatives
* Evaluate the likely effects of the Local Plan and alternatives
* Consider ways of mitigating adverse effects and maximising beneficial effects; and
* Propose measures to monitor the significant effects of implementing the Cherwell Local Plan Review 2040.

**Requirements**

The successful bidder must have suitably qualified and experienced personnel to undertake the commission.

The successful bidder must liaise with other consultants involved in the plan making process, in particular the consultancy involved in undertaking the Sustainability Appraisal to ensure that the SA and HIA align with each other.

Separate HIA reports to accompany the Cherwell Local Plan Review Draft Plan (Reg 18), Proposed Submission Plan (Reg 19) and final report for submission to the Secretary of State will be required. Depending on the Plan stage this should be a comprehensive assessment of the options, policies and sites, taking in to account any changes that have taken place, to inform a clear audit trail of decision making and demonstrating how the HIA process has engaged with and influenced the Local Plan Review’s development. This will include:

* Determining the general approach to the HIA for the reports
* Review of Baseline information from Stage 1 and update
* Review of key health issues and likely evolution without the Plan
* Assessment of Plan Objectives and options
* Response to HIA related representations received during each stage of public consultation
* Assessment of Plan policies to identify if they will support delivery of improved health and wellbeing
* Conclusions and Next Steps

The final report for submission must include information on the scoping and option testing stages, such that the final report presents a comprehensive record of the overall HIA process, plus an Executive Summary in the form of a Non-Technical Summary; and the final appraisal should include an assessment of any significant changes to the Local Plan Review following consultation on the draft and pre-submission versions or the Inspector’s recommendations.

**Retained Services**

The Council may also require possible retained services for supplementary work, including support at the Local Plan EiP, should expert advice be required further to the commissioned work.

1. **Process and Procedures**

Interested consultants are asked to submit a proposed methodology that will provide an effective, efficient process that represents value for money, and which meets the requirements of the project timetable. The HIA must be capable of withstanding close scrutiny and formal Examination.

The proposed methodology should be based on best practice particularly PHE’s *Health Impact Assessment in spatial planning A guide for local authority public health and planning teams, October* *2020* <https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/929230/HIA_in_Planning_Guide_Sept2020.pdf>

The submission should set out the number of meetings required. Details and timings of meetings and arrangements for progress reports will be agreed at the inception meeting.

The most recent data sources should be used. CDC and OCC officers can help with information sources, but the consultant will be expected to locate, analyse and present the information. Maps, figures and diagrams should be used where appropriate.

The methodology should be explained, and the reports written so that it is easy to understand. Any limitations and difficulties encountered should be explained.

**Format of Outputs**

* Draft reports – electronic copy
* Final draft reports including an executive summary – electronic copy
* Final reports including an executive summary – 2 hard copies of each and an electronic copy, in addition to any GIS outputs from the work.

The reports should be presented in a clear, transparent, fully accessible, and readily usable format aimed at providing logical and sequenced understanding as to how conclusions have been reached with supporting appendices as required. Accompanying tables and map-based information should be clearly cross-referenced. The use of interactive mapping is desirable.

Alongside the final report, all GIS extents will need to be provided in an appropriate format. The data will need to be returned in ESRI shape file format for use with ArcMap.

The Council will hold copyright of both printed and electronic material produced.

Any use of the Authority’s Ordnance Survey mapping, or data derived from it will be subject to the signing of a Contractor’s Licence.

**Schedule 2**

**Finance**

**1. General**

For the performance of the Services, the Service Provider shall be paid the Contract Price as set out in this Schedule 2.

**PAYMENT PROCEDURES AND PROMPT PAYMENT DISCOUNTS**

Unless otherwise agreed, the contract for the study will be paid on a staged payment basis as follows:

**Stage 2a (draft plan)**

33% of the price payable for this stage at agreement of the brief and fee proposal, a further 33% upon receipt of a consolidated invoice following completion and receipt of an acceptable second draft report.  The invoice should state full details of order numbers and the items/services provided.  The remaining 33% will be paid upon receipt of a consolidated invoice following completion and receipt of an acceptable final report, and the sign-off of the report by the Council.

**Stage 2b (pre-submission plan)**

33% upon receipt of a consolidated invoice following completion and receipt of a first draft report. A further 33% upon receipt of a consolidated invoice following completion and receipt of an acceptable second draft report.  The invoice should state full details of order numbers and the items/services provided.  The remaining 33% will be paid upon receipt of a consolidated invoice following completion and receipt of an acceptable final report, and the sign-off of the report by the Council.

**Stage 2c (submission plan)**

33% upon receipt of a consolidated invoice following completion and receipt of a first draft report. A further 33% upon receipt of a consolidated invoice following completion and receipt of an acceptable second draft report.  The invoice should state full details of order numbers and the items/services provided.  The remaining 33% will be paid upon receipt of a consolidated invoice following completion and receipt of an acceptable final report, and the sign-off of the report by the Council.

Payment of the price payable by the Council for the Goods/Services and any VAT shall be due within 30 days of the date of the contractor’s invoice.

**Appendix 2 - Contract Conditions**

The conditions governing any contract awarded under this RFQ are set out in Appendix 2 Contract Conditions

PART B – REQUEST FOR QUOTATION

SECTION A MANDATORY CRITERIA (PHASE 1)

**A1 BIDDER INFORMATION**

**A2 MANDATORY REJECTION CRITERIA**

You will be excluded from the procurement process if you have been the subject of a binding legal decision which found a breach of legal obligations to pay tax or social security obligations (except where this is disproportionate e.g. only minor amounts involved).

If you have answered “yes” on the non-payment of taxes or social security contributions, and have not paid or entered into a binding arrangement to pay the full amount, you may still avoid exclusion if only minor tax or social security contributions are unpaid or if you have not yet had time to fulfil your obligations since learning of the exact amount due. If your organisation is in that position, please provide details. You may contact the Council for advice before completing this form.

**A3 DISCRETIONARY REJECTION CRITERIA**

The Council may exclude any Bidder who answers ‘Yes’. Where there is any indication that a conflict of interest exists or may arise then it is the responsibility of the Bidder to inform the Council, detailing the conflict. Provided that it has been carried out in a transparent manner, routine pre-market engagement carried out by the Council should not represent a conflict of interest for the Bidder.

**A4 MANDATORY CRITERIA**

Suppliers who self-certify that they meet the requirements to these additional questions will be required to provide evidence of this if they are successful at contract award stage.

**SECTION B SERVICE QUESTIONS (PHASE 2) [ 60%]**

In order to progress to Phase 2 of the evaluation process, Bidders must pass Phase 1 – Mandatory Criteria (Section A).

**Please complete separate attachment titled Appendix 3 Response Pack**

**SECTION C PRICING SCHEDULE (PHASE 2) [40%]**

In order to progress to Phase 2 of the evaluation process, Bidders must pass Phase 1 – Mandatory Criteria.

**Please complete separate attachment titled Appendix 3 Pricing Document**

**COMPLETING THE PRICING DOCUMENT**

You should identify all potential cost components anticipated in your delivery of the Services described in Appendix 1 Specification. No additional costs will be considered by the Council unless these are clearly stated in your Pricing Document response.

All prices should exclude VAT.

**SECTION D ECONOMIC & FINANCIAL STANDING (PHASE 3) PASS/FAIL**

In order to progress to Phase 3 of the evaluation process, Bidders must pass Phase 1 – Mandatory Criteria, and be identified as the Most Economically Advantageous Tender at Phase 2.

Bidder’s financial stability will be assessed using Procurement Catalyst reports.

**Documentation should be ready to submit from 25th October 2021. Where Bidders are not able to provide the information set out in a or b, the value of the contract(s) awarded may be limited.**

**GUIDANCE**

1. **Introduction**
   1. The Council will assess the potential service provider’s finances as follows; -

For tenders above the Public Contract Regulations 2015 (“PCR 2015”) threshold (£189,330 at the time of publication of this RFQ), the test will include an assessment of the finances as per section 3 below, and an assessment via Catalyst as per section 4 below.

For tenders below the PCR 2015 threshold, the assessment will be via Catalyst as per section 4 below. If the potential service provider fails the section 4 assessment, the assessment in section 3 will be conducted.

1. **Financial Submission Documents**
   1. There is no requirement to submit financial documents with your Tender/Bid return. The potential service provider will be asked to submit their latest 2 years audited or signed accounts[[2]](#footnote-2). These must include both a statement of income & expenditure and balance sheet and be provided as a separate set of accounts for each year. See also paragraph 2.3.
   2. Where it is not possible to submit the documents stated in paragraph 2.1 an income and expenditure account shall be submitted for the two most recent financial years and be provided as a separate set of accounts for each year1. These must either be signed by the potential service provider 's accountant or accompanied by the tax return to validate the figures. See also paragraph 2.3.
   3. Where the most recent financial year end for the documents specified in paragraphs 2.1 or 2.2 is greater than 6 months prior to submission, either an interim set of accounts (which reduces the period to less than 6 months) or a statement (which either confirms no significant change or states significant changes to the finances) signed by your Financial Director, Accountant or Company Director must also be submitted. For example, if the most recent accounts submitted have a year-end date of 31 March 2016 and the submission date is after 30 September 2016 this would be required.
   4. If the potential service provider has not been operating for long enough to have 2 sets of financial statements, the requirements are set out in section 5 below relating to new companies.
   5. When assessing charitable or not for profit organisations an allowance will be made in the tests, particularly the profitability test. It is therefore important that this status is made clear in any submissions.
   6. The Council may also seek further evidence of the financial viability of the organisation to inform a risk assessment to determine whether the Council can be sufficiently satisfied of financial standing. The Council’s determination of financial viability within these thresholds will be final and failure to satisfy the Council of sound financial standing will disqualify the potential service provider.
   7. The Council will, when undertaking the assessment in section 3 and 4 below, check for any indicators that suggest there are any potential breaches of obligation to pay taxes as part of the due diligence of the potential provider’s bid.
2. **Financial Accounts Evaluation**

3.1. Accounts will be assessed using the below criteria for the potential service provider.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Criteria** | **Sub-Criteria** | **Weighting** | **Pass Mark** | **Ratios** |
| Ratio Analysis | Profitability | 30% | 15/30 | Gross & Net profit to Turnover |
| Liquidity | 30% | 15/30 | Interest Cover & Gearing |
| Gearing | 30% | 15/30 | Current Ratio & Quick Ratio |
| Turnover | | 10% | 5/10 | Contract Percentage of Turnover |
| **Total** | | **100%** | **50/100** |  |

3.2.The potential service provider must score the minimum pass mark for each test in the table above and meet the criteria to pass Procurement Catalyst assessment in section 4 below. Where a company fails any of the sub criteria or the Procurement Catalyst assessment the Council will carry out further analysis and may request further information to assure itself that the additional risk this poses is acceptable.

1. **Procurement Catalyst Evaluation**

4.1.The Council will carry out assessment using three ratings models available via Procurement Catalyst:

* ModeFinance – MORE Credit Risk
* Zanders – FALCON Global Credit Risk
* VADIS – VadRisk

4.2.The potential service provider will be classified as financially stable if a pass rating is achieved on two or more of the models. The minimum pass ratings for each model is outlined below:

* ModeFinance – B
* Zanders – 4
* VADIS – 6
  1. A potential service provider not achieving a pass rating on two or more of the models due to fail ratings or unavailable ratings will be subject to the assessment in section 3.
  2. Please note that this company check is not a credit check search and will have no impact on your credit rating. The Council reserves the right to carry out company checks on your company throughout the life of this contract.
  3. Please refer to the attached guides for more information on each model.



1. **New Organisations**
   1. For organisations with less than 2 years’ accounts available, the financial submission documentation is:

* As much of the financial documentation set out under section 2 above as possible.
* Business plans and projections for the length of the contract.
  1. Where a new company is created as a result of a merger the financial submission documentation is:
* As much of the financial documentation set out under section 2 above as possible.
* Accounts for the remainder of the prior two years for all businesses which were involved in the merger, along with an explanation of significant accounting or operational changes.
  1. Based on the documents submitted testing will be carried out and an analysis of the risk level to the Council considered.

1. **Parent Company Guarantee** 
   1. If a company wishes to rely on the accounts of their parent company, the above requirements and tests will apply to the parent company’s accounts.
   2. A letter from the parent company stating that they are willing to provide a parent company guarantee must also be submitted.
   3. The parent company accounts will only be assessed where the Council deems this to be appropriate. The Council will normally rely on the accounts of the company itself.
   4. Where a company fails to pass these tests on their own accounts they may be offered the opportunity to submit parent company accounts.

**SECTION E FORM OF QUOTATION**

**Please complete separate attachment titled Appendix 3 Response Pack**

1. ‘...*a process through which evidence (of different kinds), interests, values and meanings are brought into dialogue between relevant stakeholders (politicians, professionals and citizens) in order imaginatively to understand and anticipate the effects of change on health and health inequalities in a given population’*.

   <https://www.publichealthnetwork.cymru/en/topics/health-impact-assessment/> [↑](#footnote-ref-1)
2. Financial accounts and supporting information should wherever possible be provided in English and GBP Sterling. Where this is not possible, the Council will use an exchange rate where necessary as part of the assessment of financial standing. The source of the exchange rate will usually be www.xe.com and the rate used can be notified to the potential service provider by the Council at the time the assessment is made. [↑](#footnote-ref-2)